

Assembly Constitutional Amendment

No. 29

Introduced by Assembly Members Nestande and Olsen
(Coauthors: Assembly Members Achadjian, Donnelly, Gorell,
Grove, Hagman, Halderman, Jones, Mansoor, Norby, Silva,
Valadao, and Wagner)

May 23, 2012

Assembly Constitutional Amendment No. 29—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 8.7 to Article XVI thereof, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 29, as introduced, Nestande. Education finance: payment of state apportionments.

Existing law establishes the public elementary and secondary schools and the system of public community colleges in this state, and provides for a system for their funding. Provisions of the California Constitution require that a minimum amount of aggregate funding, calculated as specified, be allocated to school districts and community college districts. Pursuant to existing statutes, school district, community college districts, and other local educational agencies receive a portion of their funding through apportionments of state funds made in accordance with payment schedules.

This measure would require that the total amount due for allocation to school districts, county offices of education, charter schools, and community college districts pursuant to the constitutional minimum funding requirement described above for a fiscal year, as estimated at the time of enactment of the annual Budget Act for that fiscal year, be

apportioned pursuant to statute during that fiscal year, unless that minimum funding requirement is suspended for that fiscal year pursuant to an existing constitutional provision authorizing that suspension. The measure would require this estimate to be set forth in the Budget Bill passed by the Legislature. By requiring payment of the full amount of this estimate unless the minimum funding obligation is suspended as referenced above, this measure could increase the amount of the constitutional minimum funding obligation in any year that estimate exceeds the otherwise applicable obligation.

The measure would require apportionments of state aid to school districts, county offices of education, charter schools, and community college districts to be made no later than the times specified by the statutory payment schedule that was in effect during the 2000–01 fiscal year, except that the Legislature may require by statute that these apportionments be made earlier in the fiscal year.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2011–12 Regular
3 Session commencing on the sixth day of December 2010,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended as follows:

7 First—The people of the State of California find and declare all
8 of the following:

9 (a) Beginning in the 2001–02 school year as a small and
10 temporary budget solution, and increasing significantly in the
11 2008–09 school year, California has excessively relied on deferring
12 state apportionments to school districts and community college
13 districts to balance the state budget. Over ten billion dollars
14 (\$10,000,000,000) is now used as a budget mechanism to fund
15 other government programs by withholding funds for our public
16 schools and community colleges and not paying what is owed to
17 them under constitutional K-12 and community college funding
18 guarantees, misleading Californians as to the true amount of cuts
19 and the actual funding available to operate our public schools and
20 community colleges.

21 (b) The fact that one dollar (\$1) out of every five dollars (\$5)
22 owed to K-12 schools and community colleges is not paid until

1 after the end of the academic school year has taken a demoralizing
2 toll on the teaching professions of both systems by contributing
3 to education program uncertainty and unprecedented educator
4 layoffs. Programs for K-12 pupils have been reduced or eliminated,
5 including all of the following: career, vocational, and technical
6 education; university preparation; afterschool programs; sports,
7 arts, and music; counseling services; libraries; and even core
8 academic programs. Community colleges have reduced access to
9 courses that students need to graduate on time.

10 (c) California's increasing reliance on the budget practice of
11 deferring state payments to school districts and community college
12 districts results in broken promises to voters, students, and
13 educators because money arrives too late to be used during the
14 school year and is never recovered for the education of the students
15 for whom the money was intended.

16 (d) Because state revenue limit funding is reduced according to
17 the amount of property taxes collected at the local level,
18 low-property-tax-wealth school districts suffer more than
19 high-property-tax-wealth districts, in that state funding represents
20 a greater portion of their overall budget. As a result of these
21 property tax differentials, for some school districts the amounts
22 deferred represent only a relatively small amount of money, while
23 for other school districts the moneys deferred are a much larger
24 part of their budget. This practice ultimately violates the Equal
25 Protection Clause of the California Constitution with respect to
26 California's funding of public education.

27 (e) Cross-year deferrals have directly resulted in reduced local
28 school district and community college district control over the
29 maintenance of sound education practices, and have led to
30 inadequate course offerings, unreasonable class sizes, the
31 deterioration of education facilities for lack of maintenance
32 funding, and the depletion of reserves for economic uncertainty
33 because of accumulated annual funding losses. To make ends meet,
34 school districts and community college districts have suffered
35 increased borrowing costs and increased layoffs, and have been
36 forced to take emergency actions that jeopardize their long-term
37 financial health.

38 (f) Eliminating the practice of the deferral of state
39 apportionments to school districts and community college districts
40 will improve our children's education by improving school district

1 and community college district financial health, and reducing the
2 risk of school district or community college district insolvency or
3 the disruption of services from emergency budget cuts to school
4 programs.

5 (g) This measure will force the Legislature and the Governor
6 to account for state funding shortfalls in an open way so that voters
7 can accurately judge what is actually spent on public education
8 without the mask of budget manipulation. If cuts are made to public
9 education because of lack of funding, those cuts should be done
10 openly and based on the projection of revenue for that year, and
11 without deferrals that suggest that a promised payment will be
12 made on some future date that has nothing to do with the current
13 school year.

14 Second—That Section 8.7 is added to Article XVI thereof, to
15 read:

16 SEC. 8.7. (a) The total amount due for allocation to school
17 districts, county offices of education, charter schools, and
18 community college districts to meet the minimum funding
19 requirement of Section 8 for a fiscal year, as estimated at the time
20 of the enactment of the Budget Act for that fiscal year, shall be
21 apportioned pursuant to statute during that fiscal year, unless that
22 minimum funding requirement is suspended for that fiscal year
23 pursuant to subdivision (h) of Section 8. That estimate shall be set
24 forth in the Budget Bill passed by the Legislature.

25 (b) Apportionments of state aid to school districts, county offices
26 of education, charter schools, and community college districts shall
27 be made no later than the times specified by the statutory payment
28 schedule that was in effect during the 2000–01 fiscal year, except
29 that the Legislature may require by statute that these
30 apportionments be made earlier in the fiscal year.